

This sheet details costs eligible for reimbursement with the Continuum of Care (CoC) Program Funding by budget line item. Eligible costs are determined using the CoC Program Interim Rule. Supporting documentation is required for all costs charged to CoC program funds.

## Rental Assistance

Costs under Rental Assistance must be eligible in accordance with 24 CFR 578.51.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Rental Assistance	N/A	Funds may be used to provide rental assistance for homeless individuals and families. Rental assistance for the PSH program is long-term. Rental assistance may be tenant-based, project-based, or sponsor based, depending on what was proposed in the project application.	Gross rent must be reasonable to other comparable units in the area and must be documented through a rent reasonable valuation completed on <a href="http://www.GoSection8.com">www.GoSection8.com</a> .  Gross rent may exceed HUD FMR rates but must be reasonable.
		Security Deposits in an amount not to exceed two months of actual rent are eligible. An advance payment of the last month's rent is eligible if it accompanies a security deposit and first month's rent.	
		Funds may be used, in an amount not to exceed one month's rent, to pay for any damages to housing due to the action of a program participant. Damage costs may only be accrued once per participant, and are incurred at the time a participant exits a housing unit.	
		If a unit assisted under this section is vacated before the expiration of	

		the lease, the assistance for the unit may continue for a maximum of 30 days from the end of the month in which the unit was vacated, unless occupied by another eligible person. Brief periods of stays in institutions, not to exceed 90 days for each occurrence, are not considered vacancies.	
		For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. Leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.	
		Funds cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, state, or local sources.	
		The cost to repair unit damages are not allowable.	Repair and maintenance are only eligible under operating costs. Operating costs are unallowable in the same program as rental assistance.

		HQS inspections are an allowable cost under Rental Assistance.	Providers that own their property may not conduct their own HQS inspections.
		Income verification, subsidy calculations, processing of rental assistance payments, and briefings or guidance on rental assistance subsidy process are all activities that are eligible under Rental Assistance.	If these activities are eligible to be charged to another budget line item, they should not be charged to Rental Assistance.

## Supportive Services

Costs under Supportive Services must be eligible in accordance with 24 CFR 578.53. The services must be necessary to assist program participants to obtain and maintain housing. Sub-recipients must conduct an annual assessment of the service needs of the program participant and are required to adjust services accordingly.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Supportive Services	Annual Assessment of Service Needs	The cost of providing annual assessments of the services needs of program participants are eligible.	
	Assistance with Moving Costs	Reasonable one-time moving costs are eligible, including truck rental and hiring a moving company.	Moving costs are only allowable under supportive services.
	Case Management	The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participants are eligible. This may include:	
		Counseling;	
		Developing, securing, and coordinating services;	

		Using the centralized coordinated entry system;	Each region in the BoS has a Coordinated Entry Lead Agency.
		Obtaining federal, state, and local benefits;	
		Monitoring and evaluating program participant progress;	
		Providing information and referrals to other service providers;	
		Providing ongoing risk assessment and safety planning with victims of domestic violence; and	
		Developing individualized housing and service plans, including housing stabilization.	
Child Care		The costs of establishing and operating child care, and providing child-care vouchers, for children experiencing homelessness are eligible. Children must be under the age of 13 unless they are disabled. Disabled children must be under the age of 18.	
		The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.	
		Eligible costs include the costs of providing meals/snacks and developmental activities.	
Education Services		The costs of improving knowledge and basic educational skills are	

		eligible. These may include instruction or training in consumer education, health education, substance abuse prevention, literacy, ESL & GED classes.	
		Component services and activities are screening, assessment, and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.	
	Employment Assistance and Job Training	The costs of establishing and operating employment assistance and job training programs are eligible. These may include classroom, online and/or computer instruction, on-the-job instruction, and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential.	
		Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates	
		The cost of providing reasonable stipends to participants in these employment programs is also eligible.	
		Services that assist individuals in securing	

		employment consist of the following:	
		Employment screening, assessment, or testing;	
		Structured job skills and job-seeking skills;	
		Special training and tutoring, including literacy training and prevocational training;	
		Books and instructional material;	
		Counseling and job coaching; and	
		Referral to community resources.	
	Food	The cost of providing meals or groceries to program participants.	
	Housing Search and Counseling Services	The costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible	
		Component services and activities are tenant counseling; assisting individuals and families to understand leases; securing utilities; and making moving arrangements	
		Other eligible costs include the following	
		Mediation with property owners and landlords on behalf of eligible program participants;	Funds may not be used to pay for eviction costs.
		Credit counseling, accessing a free credit report, and resolving	

		personal credit issues; and	
		The payment of rental application fees.	Background checks are considered an eligible cost if included as part of a rental application fee or as a program eligibility fee.
	Legal Services	Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing.	
		Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking; appeal of veterans and public benefit claim denials; landlord tenant disputes; and the resolution of outstanding criminal warrants. Legal services for immigration and citizenship matters and issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are ineligible.	
		Component services or activities may include receiving and preparing	

		cases for trial, provision of legal advice, representation at hearings, and counseling.	
		Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.	
	Life Skills Training	The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community	
		Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public	

		transportation, and parent training.	
	Mental Health Services	Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals.	
		Component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.	
	Outpatient Health Services	Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:	
		Providing an analysis or assessment of an individual's health problems and the development of a treatment plan;	
		Assisting individuals to understand their health needs;	
		Providing directly or assisting individuals to obtain and utilize appropriate medical treatment;	
		Preventive medical care and health maintenance services, including in home health services	

		and emergency medical services;	
		Provision of appropriate medication;	
		Providing follow-up services; and	
		Preventive and non-cosmetic dental care.	
	Substance Abuse Treatment Services	The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible	
		Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible. Training costs are unallowable. Any costs that are not included in the budget detail submitted with the application.	
	Transportation	Eligible costs include the following:	
		The costs of program participant's travel on public transportation or in a vehicle provided by the subrecipient to and from medical care, employment, child care, or other services eligible under this section;	Transportation for clients must be logged and verifiable. Subrecipients should develop a policy to ensure that client transportation costs are being appropriately allocated and tracked.
		Mileage allowance for service workers to visit program participants and to carry out housing quality inspections;	
		The cost of purchasing or leasing a vehicle in which staff transports program participants	

		and/or staff serving program participants;	
		The cost of gas, insurance, taxes, and maintenance of the vehicle;	
		The costs of subrecipient staff to accompany or assist program participants to utilize public transportation; and	
		If public transportation options are not sufficient within the area, the recipient may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle.	
	Utility Deposits*	Utility deposits are an eligible cost as a one-time fee, paid to utility companies.	
	Direct Provision of Services	If the service described in this section is being directly delivered by the subrecipient, eligible costs for those services also include:	
		The costs of labor or supplies, and materials incurred by the subrecipient in directly providing supportive services to program participants; and	
		The salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.	Work-related telephone, cell phone, and internet services for staff members are considered eligible costs.

*\*Telephone, cable, and internet service are not eligible utilities.*

## Project Administration

Up to 10 percent of any grant awarded may be used for project administration. Costs under Project Administration must be eligible in accordance with 24 CFR 578.59.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Project Administration	General Management, Oversight, and Coordination	Costs of overall program management, coordination, monitoring, and evaluation. These costs include necessary expenditures for the following:	
		Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The subrecipient may use only one of these methods for each fiscal year grant.	All salary and wages must be documented by timesheets with hours worked on the project by each day. Timesheets must be approved by the employee and a supervisor.
		Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and	

		Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.	
	Training on Continuum of Care Requirements	Costs of providing training on CoC requirements attending HUD-sponsored CoC trainings.	
	Environmental Reviews	Costs of carrying out the environmental review responsibilities under 24 CFR 578.31.	

## Operating Costs

Costs under operating must be eligible in accordance with 24 CFR 578.55.

Subcontracted property management services are allowable, but **MUST** be documented through a detailed contract/MOA that ensures full compliance with CoC Program cost eligibility requirements.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
Operating Costs		Grants funds may be used to pay the costs of the day-to-day operation of transitional and permanent housing in a single structure or individuals housing units. Eligible costs include:	
		The maintenance and repair of housing;	
		Property taxes and insurance;	
		Scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be	

		based on the useful life of the system and expected replacement cost);	
		Building security for a structure where more than 50 percent of the units or area is paid for with grant funds;	
		Electricity, gas, and water; and	
		Furniture and equipment.	Furniture charged under operating costs should stay with the unit. Mattresses are eligible, as they are part of a bed, but given the unique nature of mattresses, participants can take mattresses with them when they leave the project. Bed linens are an unallowable cost.
		Client relocation costs are eligible for a period no longer than 365 days.	
		Program funds may not be used for rental assistance and operating in the same project. Program funds may not be used for the operating costs of emergency shelter and supportive service-only facilities.	
		Program funds may not be used for the maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.	

## Leasing

Costs under leasing must be eligible in accordance with 24 CFR 578.49.

BUDGET LINE ITEM	TYPE OF COST	ELIGIBLE & INELIGIBLE COSTS	ADDITIONAL INFORMATION
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Leasing		100% of the costs of leasing a structure, or portions thereof, to provide housing or supportive services to homeless persons are eligible for up to 3 years. The cost of headquarters and lead-based paint inspections are allowable.	Rent must be reasonable in relation to other comparable units in the area and must be documented through a rent reasonable valuation completed on <a href="http://www.GoSection8.com">www.GoSection8.com</a> . Rent may not exceed HUD FMR rates. Rent must be paid to the landlord and not the client. The lease must be in the name of the recipient/subgrantee. All recipients/subgrantees must have signed occupancy agreements or leases (or subleases) with program participants residing in the housing.
		Security deposits in an amount not to exceed two months of actual rent are eligible. An advance payment of the last month's rent is eligible if it accompanies a security deposit and first month's rent.	Multiple security deposits for the same clients are allowable when a household must be relocated to a different unit (e.g., if FMR and/or rent reasonableness changes). Any refund of the initial deposit must be returned to the program and would be reported as program income.
		Funds may not be used to lease units or structures owned by the recipient, sub-recipient, their parent organization(s), any other related organization(s), or organizations that are members or a partnership, where the partnership owns the structure, unless HUD authorized an exception.	
		Rent above FMR is ineligible.	
		Providers that own their property may not conduct HQS inspections – must be done through a third-party.	

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